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**Exhibit B**

## Church Street, LLC

September 5, 2018

VIA: Certified Mail, Return Receipt Requested 7017 1070 0000 8026 9248

Kmart Corporation  
c/o Sears, Roebuck & Co.  
3333 Beverly Road  
Hoffman Estates, IL 60179  
Attn: Vice President Real Estate  
Department 824RE

RE: Lease by and between Church Street, LLC and Kmart Corporation  
Cooling tower replacement at Kmart 4016

Dear Sir or Madam:

We are writing to respond to Kmart's request that the Landlord replace the cooling towers at store #4016 in Greenville, SC. After we were notified by Kmart that the cooling towers needed to be replaced, we had them inspected. The mechanical contractor issued a report of their findings, a copy of which is enclosed.

While they did agree that these towers need to be replaced, they discovered that little to no maintenance has been performed on these units over time. Based on the amount of debris and sediment inside the units, it does not appear they have been cleaned on a regular basis or recently at all. In addition, the lines to the chemical treatment feed have been cut, so the water has not been receiving chemicals that would prevent most rust and scaling.

The lease states that the Landlord will not be responsible for replacements due to Tenant's negligence, which has clearly occurred in this situation. Additionally, we replaced these units in 2004 on the condition that Kmart would maintain the HVAC system with regularly scheduled maintenance. With proper maintenance, the cooling towers are generally expected to last between 20-25 years. Because Kmart has proven negligent by not continuing a regular maintenance and water treatment program, leading to the failure of these units, the Landlord declines to replace them at this time.

Yours very truly,



Molly Stengel  
Property Manager

## Church Street, LLC

cc: Kmart Corporation  
c/o Sears, Roebuck & Co.  
3333 Beverly Road  
Hoffman Estates, IL 60179  
Attn: Vice President Law – Real Estate  
Department 766X

Donna Schroedle via email only at [donna.schroedle@searshc.com](mailto:donna.schroedle@searshc.com)

Samuel Smith via email only at [Samuel.smith@searshc.com](mailto:Samuel.smith@searshc.com)



Mr. Walden,

We inspected the cooling towers at the Church Street K-Mart building in Greenville, SC as requested.

The following deficiencies were found.

1. The cooling towers are beyond repair due to rust and metal fatigue.
2. The media is scaled and deteriorated.
3. The basins are full of debris and settlement.
4. The treatment stations are beyond repair.

The towers need to be replaced in order to get adequate flow and the correct delta temps.

The initial cause of the deterioration seems to be from a lack of maintenance and proper cleaning for numerous years.

The water treatment station appears to not have been active for a very long time.

The lines for the Chemical feed have been cut and no longer serve the tower and appears to have been this way for years which has allowed rust and scale to have its effects on the tower.

At this time there is nothing to be repaired due to its conditions.

I wish I had better news but unfortunately these towers have been neglected for a very long time.

Thanks, Teachey Service Company

Operations Manager, Darryl Christopher